



AMERICAN CUSTOMER SATISFACTION INDEX

E-GOVERNMENT SATISFACTION INDEX

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I. OVERVIEW

ACSI E-Government Index Grows as Continuous Customer Satisfaction Measurement Proves Valuable

As e-government continues its evolution, achieving and maintaining high levels of customer satisfaction remains a critical focus of savvy governmental agencies and departments. A steadily increasing number of government entities recognize that citizen-centric government requires a solid foundation of customer satisfaction. This enhanced focus on meeting citizens' needs through virtual government correlates to growing adoption rates of the American Customer Satisfaction Index (ACSI) as a barometer of current and future levels of citizen satisfaction.

In this fourth quarterly installment of the American Customer Satisfaction Index E-Government Satisfaction Index, 53 websites are represented, a 20% jump from last quarter. These sites are divided into four categories: e-commerce/transactions, information/news, portals/department main sites and career/recruitment. Overall scores remain relatively steady from last quarter, although certain sites significantly outpace the Index. At the same time, citizens are quite loyal to government sites, as measured by likelihood to return to specific sites and recommend them to others.

This quarter's data provides a valuable snapshot of satisfaction. But the true power of customer satisfaction measurement is realized through ongoing assessment. Measurement over time enables government websites to enhance the online experience based on direct "voice of the citizen" feedback, which should ultimately correlate to higher scores. As evidence, many early adopters of the ACSI are experiencing positive customer satisfaction trends.

Unlike other measurements of satisfaction, the ACSI is driven by a highly rigorous methodology that pinpoints key drivers of satisfaction so that government can better respond to citizens' needs. At the same time, this scientific tool demonstrates the cause-and-effect relationship between satisfaction and citizens' desired future behaviors, such as return visits to the site. Additional data defines the link between potential website improvements and customer satisfaction levels, providing Index participants with a blueprint for enhancing their sites.

Participation in the Index is voluntary and indicates an interest in having an objective assessment of satisfaction. By using a proven performance metric to measure online customer satisfaction, each of the agencies in the Index has taken a critical first step toward improving citizen service. The future of e-government is encouraging due to the growth of high quality websites that meet citizens' needs and exceed their expectations.

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Key Findings

- Participation in the ACSI E-Government Index is on the rise
- Overall scores remain steady from first quarter 2004
- Citizens show high levels of loyalty to government websites
- Measurement of satisfaction over time generally leads to satisfaction increases





II. THE ACSI METHODOLOGY

Performance for the 53 agencies in the Second Quarter 2004 Index was measured through a partnership between the American Customer Satisfaction Index (ACSI) and ForeSee Results, an online customer satisfaction measurement firm licensed to use the ACSI methodology.

The E-Government American Customer Satisfaction Index (ACSI) is a special quarterly report of the ACSI, which is produced by the University of Michigan in partnership with the American Society for Quality (ASQ), ForeSee Results and the CFI Group. The ACSI is a cross-industry measure of offline customer satisfaction that measures the performance of approximately 200 private sector companies, as well as key government agencies.

ACSI e-government scores were calculated based on data gathered from voluntary online surveys of site users. Each government website was rated by its visitors on various components of overall satisfaction; the ratings were converted to a score on a 0–100 point scale using the ACSI methodology.

III. SECOND QUARTER SCORES REMAIN STEADY; SOME WEBSITES OUTPACE THE E-GOVERNMENT INDEX

With an aggregate score of 70.3, overall customer satisfaction levels remain on par with scores reported in the last quarterly index. While this finding may seem to indicate a plateau, it may more accurately reflect the rising sophistication of the American population, which is accustomed to increasingly robust and interactive non-governmental news, information and e-commerce sites. Therefore, further distinguishing the web as the “channel of choice” requires meeting, if not exceeding, citizens’ needs so that they do not turn to higher cost, less convenient ways of doing business with the government.

While opportunity for improvement exists, e-government fares surprisingly well compared to federal government as a whole. In 2003, the aggregate ACSI score for offline federal government agencies was 70.9, just 0.6 points above this quarter’s overall e-government score.

Despite e-government’s strong showing among its peers, it lags behind the private sector in terms of measuring, understanding and acting upon the needs of its customers. As a point of comparison, the latest overall private sector ACSI score, which assesses satisfaction across industries, was 74.4. The sector most akin to government measured by the ACSI is “Services,” which includes transportation, utilities, retail, financial/insurance and services. With a score of 73.9, Services leads e-government by more than three points. Comparison to the private sector shows that e-government has a tremendous opportunity to further enhance the value it provides to citizens by acting on customer satisfaction data.

It’s important to keep in mind that citizens’ expectations of e-government are colored not only by the offline world, but also by their experiences with private sector sites. Citizens who prefer the web as a conduit to government are likely to expect a similar level of service, ease of navigation and ability to conduct transactions as they have with other online experiences. As government websites mature, they have a tremendous opportunity to close the 10-point gap between the aggregate e-government score of 70.3 and the latest aggregate e-commerce rating of 80.8.

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Customer satisfaction scores vary widely, with a 37-point spread between the highest and lowest score. Fifteen sites show increased customer satisfaction since last quarter, led by five sites with three-point increases. Regardless of its score, each measured site has taken a critical first step in improving the services it provides to the American public by gathering "voice of the citizen" feedback. After all, the adage holds true: "You can't manage what you don't measure."

"We see agencies embracing the ACSI as a leading website performance measurement and management tool that provides up-to-the-minute, voice-of-citizen input on what citizens care most about," said Anne Kelly, CEO and Director of the Federal Consulting Group, a franchise of the U.S. Department of the Treasury and the executive agent for purchasing the ACSI for federal government agencies. "Agencies have turned a corner in terms of the sophistication with which they deliver online services, and are succeeding with boosting utilization of e-government channels. Increasingly, the agencies that use the ACSI are getting very specific feedback from key customer segments and using the input to structure services accordingly. This approach enables them to understand and articulate the needs and expectations of specific segments of citizens they serve, focus their resources where the return will be greatest and advance their e-government initiatives of improving the quality, convenience and consistency of service."

One-Quarter Comparison: Sites with Greatest Increases in Customer Satisfaction Scores

Site	1st Quarter 2004	2nd Quarter 2004	Percent Increase
National Library of Medicine Main Website (www.nlm.nih.gov)	73	76	4.1%
Office of Personnel Management Recruitment Website (www.usajobs.opm.gov)	73	76	4.1%
Department of State Student Website (http://future.state.gov)	66	69	4.5%
Pension Benefit Guarantee Corporation (PBGC) Main Website (www.pbgc.gov)	62	65	4.8%
Department of Transportation Main Website (www.dot.gov)	55	58	5.5%

IV. LONGER-TERM MEASUREMENT PAINTS A MORE COMPREHENSIVE PICTURE OF THE VALUE OF CUSTOMER SATISFACTION DATA

Encouraging the American public to view the web as a key channel in connecting with the government requires a solid understanding of how satisfied citizens are today, and the key drivers of increased satisfaction in the future. Hence, sites that recognize the true power of customer satisfaction measure this key metric on an ongoing basis...with positive results.

Empirical performance evidence supports the value of viewing customer satisfaction as an ongoing measurement and management tool. Of the government agencies that have chosen to measure customer satisfaction since third quarter 2003, the time of the first ACSI E-Government Satisfaction Index, 67% show a positive change in the level of citizen

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satisfaction. The Department of State's Student website, <http://future.state.gov>, claims a noteworthy leap of eight points, a 13% increase, from September 2003 to the present. Like other websites showing positive momentum in this arena, Future.state.gov has used "voice of the customer" data to guide website enhancements, including a complete relaunch of the site in fourth quarter 2003.

Four-Quarter Comparison: Sites with Highest Leaps in Customer Satisfaction since Inception of Quarterly Benchmark

Site	3rd Quarter 2003	2nd Quarter 2004	Percent Increase
Department of State Student Website (http://future.state.gov)	61	69	13%
Federal Aviation Administration Main Website (www.faa.gov)	62	68	9.7%
Office of Personnel Management Recruitment Website (www.usajobs.opm.gov)	71	76	7.0%
Department of State Recruitment Website (www.careers.state.gov)	73	79	8.2%

V. LOYALTY TO GOVERNMENT SITES IS HIGH

As government websites strive to increase their value, scope and usage, two satisfaction-related metrics with strong scores point to a bright future for e-government. As in the private sector, government sites aim to convert one-time users to repeat visitors and increase the number of site visitors through "word of mouth" promotion by current customers. In both areas, the government is performing well, demonstrating high levels of loyalty.

Citizens currently using e-government indicate a likeliness to continue doing so, as evidenced by an aggregate "likely to return" to the site score of 81. And, the public seems to be doing its part in encouraging use of the web as a touchpoint with the government, with the aggregate score of 76 for "likelihood to recommend" the site as proof. Scores have risen since the first time these loyalty factors were measured in third quarter 2003, indicating that government is succeeding in building online relationships with citizens. And, these scores are projected to rise as government sites continue to make enhancements to better meet citizens' needs.

VI. TYPES OF SITES MEASURED

Sites measured in second quarter 2004 were divided into four categories:

Category	Aggregate Score
E-commerce/Transactions	68.8
Information/News	70.0
Portals/Department Main Sites	69.8
Recruitment/Careers	75.8

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VII. E-COMMERCE/TRANSACTIONS: SOME SITES STAND OUT IN A CATEGORY THAT LAGS COMMERCIAL SITES

As in the private sector, government sites are beginning to offer citizens the ability to complete more transactions online, while offering convenience and consistency and affording the government cost-savings. Rather than making a phone call, sending in a form or waiting in line to complete a transaction, citizens are increasingly turning to the web to save time and effort. Transactional capabilities represent the next frontier of e-government, and this category is expected to grow.

The evolution of the web—from providing information to facilitating transactions—could prove beneficial to all involved. For citizens, the web provides convenient and consistent access to valuable information. E-government enables agencies to maintain a high quality of service at a reduced cost.

Transactional capabilities give citizens 24-hour access to the government, with the promise of no lines or telephone “hold time” to complete routine transactions. In these tight budgetary times, it behooves every agency to make effective use of tax dollars and provide services and information to citizens in the most cost-efficient, highest quality manner. Like e-business, e-government must maintain satisfaction to minimize defection to higher-cost, less convenient offline channels.

With an average score of 68.8, governmental sites in the e-commerce/transaction category lag behind comparable private sector ACSI scores: 80.8 for e-commerce, 77 for online travel and 84 for e-retail. The relative maturity of government websites compared to the private sector may be a factor in this discrepancy.

But the future looks promising, based on “likelihood to return” scores. At 2% above the index aggregate score, this metric suggests continued growth for government e-commerce/transaction sites.

The United States Mint Online Catalog, which sells currency collectibles online, is a prime example of a federal government site that competes with private sector organizations such as the Franklin Mint. The U.S. Mint’s site, <http://catalog.usmint.gov>, is consumer-focused, with ease of navigation and shopping cart functionality that rivals commercial sites. The U.S. Mint’s score of 79 puts it less than two points behind the overall private sector ACSI e-commerce score. Significantly, the U.S. Mint leads well-known private sector e-commerce sites such as Expedia and 1-800-FLOWERS.com.

Another trend in the e-commerce/transactions category can be found on the Pension Benefit Guarantee Corporation (PBGC) Main Website, www.pbgc.gov. Its second quarter score of 65 is a three-point increase over last quarter. While these scores trail the index, PBGC faces the difficult task of protecting the retirement incomes of 44 million American workers.

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One way PBGC is responding to customers' needs is by adding transactional capabilities to its website for specific qualified pension plans participants, who can now apply for direct deposit of pension benefits and update contact and bank account information online. Future plans include the addition of transactions for more plan participants.

Like the PBGC, government as a whole is following the private sector trend toward self-service. Rather than serving citizens via mail, on the phone or in person, government agencies are increasingly realizing the cost and efficiency benefits of web-enabled transactions, which give citizens convenient, cost-effective access to the information they need.

ID	E-Government U.S. Agency/ Department/Office	Website	6/04 Score
<i>E-Commerce Websites</i>			
Mint	United States Mint, Treasury	Online Catalog http://catalog.usmint.gov/	79
GSA	General Services Administration	GSA Advantage website https://www.gsaadvantage.gov	66
GSA	General Services Administration	GSA Global Supply website https://www.gsaglobalsupply.gsa.gov	65
PBGC	Pension Benefit Guaranty Corporation	PBGC main website— www.pbgc.gov	65

VIII. INFORMATION/NEWS SITES:

LARGEST CATEGORY BOASTS SOME STAND-OUT SITES

With 30 sites, this category comprises the largest portion of the ACSI E-Government Index. Its overall score of 70 trails the ACSI online news and information score by about four points. As in other categories, government information and news sites are often newer entrants into the online world than established stalwarts such as msnbc.com and cnn.com, which report higher scores (74 and 72, respectively). However, the e-government aggregate is competitive with the latest ACSI score of 70 for NYTimes.com, a site backed by more than a century of name recognition.

In the information/news site category, certain sites shine as examples of how government can provide a valuable and efficient resource to citizens. The three top-performing sites in the index: www.4woman.gov (score of score of 81) and both the English and Spanish versions of MedlinePlus (with scores of 85 and 84, respectively) are information/news sites. Government health sites provide a credible source of information at a time when health care is becoming more self-directed, and citizens are searching for resources to sort through the maze of available information.

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The Department of State's Student Website has seen customer satisfaction on the upswing since its first measurement in third quarter of 2003. With a crisp "look and feel," icon-driven navigation and an easy-to-follow "who, what, where, when, why" structure as an alternate means of exploring the site, this site is designed to appeal to today's web-immersed youth. Driven by citizen satisfaction feedback, the Future.state.gov site was relaunched in fourth quarter of 2003 with a completely new look and URL. The youth of America represents the future audience of e-government, and the Department of State is a great example of an agency recognizing the importance of this group.



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ID	E-Government U.S. Agency/ Department/Office	Website	6/04 Score
<i>Information/News Websites</i>			
NLM	National Library of Medicine, National Institutes of Health, HHS	MedlinePlus main website http://medlineplus.gov	85
NLM	National Library of Medicine, National Institutes of Health, HHS	MedlinePlus en español main website http://medlineplus.gov/esp/	84
OWH	Office on Women's Health, HHS	National Women's Health Information Center (NWHIC) main website— www.4woman.gov	81
NLM	National Library of Medicine, National Institutes of Health, HHS	AIDS info main website http://aidsinfo.nih.gov/	77
NCJRS	National Criminal Justice Reference Service, Justice	NCJRS website www.ncjrs.org	77
NLM	National Library of Medicine, National Institutes of Health, HHS	TOXNET main website http://toxnet.nlm.nih.gov/	75
NIJ	National Institute of Justice, Justice	NIJ website— http://www.ojp.gov/nij/	75
NIAID	National Institute of Allergies and Infectious Diseases, HHS	NIAID main website http://www.niaid.nih.gov/	74
CDC	Centers for Disease Control	CDC main website— www.cdc.gov	74
ERS	Economic Research Service, Agriculture	ERS main website -- www.ers.usda.gov	73
OJJDP	Office of Juvenile Justice and Delinquency Prevention, Justice	OJJDP main website http://ojjdp.ncjrs.org	73
IIP	International Information Programs, State	IIP main website http://usinfo.state.gov	71
BJA	Bureau of Justice Assistance, Justice	BJA main website http://www.ojp.usdoj.gov/BJA/	71
DOS	Department of State	US Embassy (Belgium) main website http://www.usembassy.be/main.html	70
FAS	Foreign Agricultural Service, Agriculture	FAS main website— www.fas.usda.gov	70
FSA	Farm Service Agency, Agriculture	FSA website— http://www.fsa.usda.gov/	69
FS	Forest Service, Agriculture	Forest Service main website http://www.fs.fed.us	69
DOS	Department of State	Student website— http://future.state.gov	69
NASS	National Agricultural Statistics Service, Agriculture	NASS main website http://www.usda.gov/nass/	68
DOS	Department of State	US Embassy (Belgium) website (French) http://www.usembassy.be/fr/fr.main.html	67
DOS	Department of State	US Embassy (Belgium) website (Dutch) http://www.usembassy.be/nl/nl.main.html	67
NAL	National Agricultural Library, Agriculture	NAL main website— www.nal.usda.gov	67
FSIS	Food Safety and Inspection Service, Agriculture	FSIS main website www.fsis.usda.gov	66
CNS	Corporation for National and Community Service	CNS main website www.cns.gov	66
NSF	National Science Foundation	NSF main website— www.nsf.gov	65
RD	Rural Development, Agriculture	Main website -- http://www.rurdev.usda.gov/	63
NRCS	Natural Resources Conservation Service, Agriculture	NRCS website http://www.nrcs.usda.gov/	63
ESA	Employment Standards Administration, Labor	ESA main website www.union-reports.dol.gov	63
CREES	Cooperative State Research, Education, and Extension Service, Agriculture	CREES main website http://www.csrees.usda.gov/index.html	61
NOAA	National Oceanic and Atmospheric Administration, Commerce	National Ocean Service (NOS) MapFinder website http://www.oceanservice.noaa.gov/mapfinder	48



IX. PORTALS/DEPARTMENT MAIN SITES:

CERTAIN SITES PERFORM WELL IN A DIFFICULT CATEGORY

Portals and department main sites face the challenge of disseminating massive quantities of information and organizing it in a way that provides focus for citizens. Their aggregate score of 69.8, which approximates the ACSI private sector portal score of 70, shows room for improvement. However, these sites are gaining momentum: the sites that have been continuously measured for four quarters show a 5% increase in overall customer satisfaction.

One site that has figured out to help citizens “sort through the clutter” is the Department of Transportation main website, www.dot.gov. This portal has been revamped to highlight top-priority information for three distinct groups of users: truck drivers, motor carrier companies and individuals and businesses. By adding a centrally placed “top requests” section to the home page, site visitors in each audience segment can immediately spot the most relevant information.

The Federal Aviation Administration (FAA), www.faa.gov, with a score of 68, has shown steady increases in customer satisfaction since its first score of 62 in third quarter 2003. For the FAA, the link between acting on customer satisfaction and ROI is clear: the FAA has realized significant efficiency gains by reorganizing site content. Enhancing the Q & A database section resulted in a dramatic decrease in e-mail inquiries, which freed up resources otherwise devoted to answering the inquiries.

ID	E-Government U.S. Agency/ Department/Office	Website	6/04 Score
<i>Portal/Department Main Websites</i>			
NIST	National Institute of Standards and Technology, Commerce	NIST main website www.nist.gov	78
GSA	General Services Administration	FirstGov.gov website (Spanish) http://firstgov.gov/Espanol/index.shtml	77
NLM	National Library of Medicine, HHS	NLM main website www.nlm.nih.gov	76
NASA	National Aeronautics and Space Administration	NASA main website www.nasa.gov	74
NARA	National Archives & Records Administration	NARA Presidential Library websites http://archives.gov/presidential_libraries/index.html	74
DOS	Department of State	Main website— www.state.gov	74
SSA	Social Security Administration	SSA main website http://www.socialsecurity.gov/	73
GSA	General Services Administration	FirstGov.gov website— www.firstgov.gov	72
FAA	Federal Aviation Administration, Transportation	FAA main website www.faa.gov	68
NARA	National Archives & Records Administration	NARA main public website www.archives.gov	68
GAO	General Accounting Office	GAO main public website— www.gao.gov	67
USPTO	United States Patent & Trademark Office	USPTO main website— www.uspto.gov	66
Treasury	Department of the Treasury	Main website— www.treasury.gov	66
DOT	Department of Transportation	DOT main website— www.dot.gov	58
GSA	General Services Administration	GSA main website— www.gsa.gov	57

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X. RECRUITMENT/CAREERS SITES:

SMALL CATEGORY WITH A STRONG SHOWING

The four sites in the e-government recruitment/career sites category have a solid aggregate score of 75.8, which is 8% higher than the e-government index average. Likewise, this category shows above-average intent both to return to the site and recommend it to others—especially significant in a category driven by return visits.

The Office of Personnel Management's Recruitment Website, www.usajobs.opm.gov, proves the value of ongoing measurement. After its first score of 71 in third quarter 2003, the site was relaunched to better meet the needs of job-seekers. Suffering from the expected "relaunch effect," this site fell a few points in the following quarter. Since then, the site has trended upward, with a score of 76 this quarter. This bodes well for the ability of the federal government to recruit high quality talent while directly competing with private sector online recruiting sites such as Monster.com, Careerbuilder.com and Yahoo HotJobs. The job seekers of tomorrow, who will replace the government's aging workforce, will increasingly use the web as the primary method of finding career opportunities.

ID	E-Government U.S. Agency/ Department/Office	Website	6/04 Score
Recruitment/Careers Websites			
CIA	Central Intelligence Agency	Recruitment website http://www.cia.gov/employment	79
DOS	Department of State	Recruitment website— www.careers.state.gov	79
OPM	Office of Personnel Management	Recruitment website— www.usajobs.opm.gov	76
CNS	Corporation for National and Community Service	Americorps website www.americorps.org	69

ABOUT THE AUTHOR

Larry Freed is an expert on Web Effectiveness and Web Customer Satisfaction. He is also President and CEO of ForeSee Results, a market leader in customer satisfaction measurement on the web, which utilizes the methodology of the American Customer Satisfaction Index (ACSI).

ABOUT THE ACSI

The American Customer Satisfaction Index (ACSI) is the only uniform, national, cross-industry measure of satisfaction with the quality of goods and services available in the United States. A key distinguishing feature of the ACSI methodology is its patented scientific approach to customer satisfaction measurement. The technology behind the ACSI computes scores that reflect performance—based on the relative impacts of various components of satisfaction on overall satisfaction and the likelihood of desirable future behaviors, such as repeat purchases. Accordingly, the ACSI methodology is able to isolate and determine the importance of the features and functions most likely to produce these behaviors—an important distinction from basic customer satisfaction ratings. The Index is produced by a partnership of the University of Michigan Business School, American Society for Quality (ASQ) and CFI Group. ForeSee Results sponsors the e-commerce, e-business and e-government indices.

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ABOUT FORESEE RESULTS

ForeSee Results is the market leader in online customer satisfaction management and specializes in converting satisfaction data into user-driven web development strategies. Using the methodology of the American Customer Satisfaction Index (ACSI) developed at the University of Michigan, ForeSee Results has developed a model that scientifically quantifies the elements that drive online customer satisfaction and predicts future behaviors like likelihood to purchase, return, or recommend the site. ForeSee Results is located in Ann Arbor, Michigan and on the web at www.ForeSeeResults.com.

ABOUT THE FEDERAL CONSULTING GROUP

The Federal Consulting Group, a franchise of the Department of the Treasury, serves as the executive agent in the government for the American Customer Satisfaction Index (ACSI), and holds generic clearance from the Office of Management and Budget that enables agencies to utilize the ACSI without having to obtain a separate clearance under the Paperwork Reduction Act to conduct customer satisfaction surveys. Agencies can participate in the ACSI through an arrangement between the Federal Consulting Group and ForeSee Results.

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